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# Presentation of Laurie G. Lachance, State Economist To the Maine Policy Leaders Academy January 12, 2000

Maine State Planning Office

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**Presentation of Laurie G. Lachance, State Economist  
To the Maine Policy Leaders Academy**

**January 12, 2000**

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**Speech of Laurie G. Lachance, State Economist  
To the Policy Leaders Academy**

**January 12, 2000**

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**Maine's Population**

**INTRO**

-I'm very happy to be here today, to have this opportunity to talk with you about Maine's population.

-What I plan to do over the next 20-25 minutes is to:

1) Describe our population:

- Where we live
- Who we are
- How we compare to the U.S.

2) Highlight the manner in which we are growing:

3) Finally, to share some insights as to how these trends may influence your policy discussions.

-Before I launch into this - for those of you who may not be familiar with me or with the State Planning Office,

- SPO is an office of about 55 people including
- my staff of 5 economists/demographers
  - energy policy staff
  - community planning
  - Waste Management Policy and Planning
  - Maine Coastal Program
  - Maine Commission on Community Service

-Our Mission is to provide Maine's policy makers with data, information and analyses to inform and guide the decisionmaking process. We are a resource which we hope you will take advantage of.

## **SLIDE 1      1998 Population**

-Let's look first at where we live:

- we are a population of about 1.25 million people.
- yet we live in a space that could comfortably hold the other 5 New England States put together.

- As this chart shows:

- there are 10 counties with fewer than 75,000 inhabitants
- Cumberland County is home to 20% of our population
- More striking, 69% of Maine's population lives along the I-95 corridor

-So, how might our population be described ?

## **SLIDE 2      Persons of Color**

- Well, for starters, we are homogeneous
- In 1997 - Maine was 98.4% Caucasian
- That made us #1 in the U.S. for homogeneity  
(followed by Vermont and New Hampshire)
- By comparison, only 73% of the U. S. population is non-Hispanic whites

## **SLIDE 3      Dependency Ratio**

-We are relatively old - with a median age of 36.9 years

-We rank 4th oldest in the nation behind

1. West Virginia            (38.1)
2. Florida                    ( 38.0)
3. Pennsylvania ( 37.3)

U.S.    (34.9)

-As you look across Maine's counties - you see a wide range of ages as well

-This map shows each county's dependency ratio

-A dependency ratio is the number of persons under 18 and over 65 per 100 persons of working age 18-64

-The Dependency Ratio is a crude estimate of the burden on the working age population

- This has implications for Maine's capacity to pay for:
  - schools
  - hospitals
  - social services
- The counties of highest dependency ( or lowest capacity to pay ) include Piscataquis, Washington, Oxford, Lincoln and Knox.
- Of greater concern is how this dependency may grow over time.
- Deirdre Mageean - a demographer at the Margaret Chase Smith Center in Orono, defines dependency as those under 20 and over 65. She found Maine's Ratio to be 69.7 in 1995 and predicts it will rise to 78 by 2025. This would move our rank in the U.S. From 32nd to 42nd.

#### **SLIDE 4      Urban population**

- OK - we've established that we're:
  - homogeneous
  - relatively old
- Let's add - rural
- In fact, Maine is the 3rd most rural state in the nation.
- To put Maine in perspective:
  - We have a population density of 40 people per square mile.
  - New Jersey has 1,094 per square mile - 25 times the density.
- Within Maine - population density ranges from
  - 301 persons per square mile in Cumberland County to
  - 5 persons per square mile in Piscataquis County
- This chart shows that southern coastal and the lower I-95 corridor is far more urban than the rest of Maine.

#### **SLIDE 5      Lifetime Migration to Maine**

- Finally - our population could be described as relatively stagnant
- This shows the number of "inmovers" for every 100 "stayers", or in our lingo, the number of people "from away" for every 100 "natives".
- Not surprisingly - Southern and mid coast areas have experienced the greatest in-migration

-The rest of Maine is, basically, home grown.

-I'll share 1 factoid - USDA recently ranked all of the nation's rural counties on their attractiveness to immigrants. While no Maine County scored very high, nationally - of all Maine counties - the county found to be most attractive as a migrant magnet? (Washington County).

-On that note, let's turn to how our population is growing.

-If any of you have heard me speak on this topic - you know I describe our population as growing.

- slowly

- older

- unevenly

-Today, I'll add one more - we're growing - expensively

## **SLIDE 6      Actual and Forecast Decennial Population**

-Throughout history, Maine has always grown more slowly than the U.S.

-The 1990's were absolutely abysmal

- 6 years outmigration due to      -deep recession

- closure of Loring

- Growth will pick up over next 20 years - but will not match the U.S.

## **SLIDE 7      Estimated & Projected Population - Maine & U. S. 1970-2010**

-Shown another way:

- Through the 70s & 80s - both Maine and U. S. grew 1% annually

- Maine stalled in the 90s while U.S. continued to grow.

-Forecast is for U.S. to continue along 1% path. Maine will accelerate to only 0.4% thru 2010 and 0.6% thereafter.

## **SLIDE 8      Births and Deaths**

-Looking within the population growth trends, we see there are only 2 ways to grow:

- 1st, Natural increases - which is simply the (# births minus # deaths)

- Because we are a relatively old and highly Caucasian state

- we have fewer births

- and more deaths

-So our natural rate of increase is below average.

-In the 90s, we saw a significant slowdown in the natural increase as baby boomers aged past child bearing years.

-In 1996 fewer babies born than in any other year this century.

## **SLIDE 9      Net migration**

-That leaves migration:

- In-migration in 70s & 80s
- Out-migration during the recession of the early 90s
- Some in migration going forward, but only at the 4,000-6,000 level

## **SLIDE 10      Population Pyramid**

-I apologize up front for my flagrant overuse of this graphic, but I've found no better way to show the aging of our population. So please bear with me.

-The shape of our population is changing dramatically

1960 - triangle - small retirement - larger working age

1990 - looks like a human, still small retirement cohort on larger working cohort

2025- water bottle, most baby boomers in retirement

## **SLIDE 11      Counts & Projections - Persons 65+**

-Now let's focus in on just those people over 65 years old.

-In 2000, Maine is estimated to have 175,000 seniors which is about 14% of our population.

-By 2020 - that number grows to 260,000, approaching 21% of our population.

-Think about this:

-From 2000-2020, Maine's population is forecast to grow about 10% overall, but Maine's Senior population will grow by 50%.

-These are major changes

-Now this may not be as bad as it first seems, because as we learned in our retirement industry research, the senior citizens of the next century will live

-longer

-healthier lives

-with far fewer limitations than the Seniors of the 1900s.

-That said, to ignore this trend is to do so at our peril.

## **SLIDE 12     Maine County Population**

- So we have established that we're growing;
  - slowly and
  - older
- Now - we'll add - unevenly.
  
- Your view of Maine varies widely, based on where you live.
- Virtually all population growth - Coastal Maine
  - Central - Inland counties - all lost population
  - Rim counties - a mixed bag.
  
- Aroostook stands out - lost 12% population
- Waldo - grew 10%
- This is the heart of the OneMaine issue

## **SLIDE 13     Population Growth - 1970-98 (persons per square mile)**

- Stepping back and looking at the past 3 decades, the pattern of growth is crystal clear
  - Southern Coast - most rapid growth by far, followed by the
  - Mid Coast
  - Lower I-95 corridor
  - Mid to Northern coast
  - Rim counties

## **SLIDE 14     Components of Population Change**

- Finally - our population is growing in a very expensive way
- Not only is our population moving from North to South (Inland to Coastal),
- We're moving from Urban to Rural.
  
- This is a picture of SPRAWL.
- From 1990-95, the population of our Service Centers decreased by 10,000, while the non-centers grew by 25,000.

## **SLIDE 15     Percent of Population in Service Centers**

- More poignantly
  
- In my lifetime, the % of Maine's population living in more rural areas has grown from
  - 36% in 1960 to
  - 55% in 1998



-Yet another major change.

-Has this been expensive?

-From 1970-95, there has been a decrease in public school enrollment yet we've spent \$3-4 billion in new school construction

-The construction of new and often redundant infrastructure and the provision of services out into the suburban and rural areas of Maine is costing Maine taxpayers an estimated \$50-75 million per year.

- new schools
- bussing
- roads
- sewer systems
- pollution

## POLICY ISSUES

-Now that you have a pretty good picture of our population, what does all of this mean for you as policy makers?

- well, it certainly raises a lot of questions
- let's take each characteristic one at a time.

### I. We are growing slowly

- this will constrain our economic growth
- already seeing very tight labor markets throughout southern & central Maine
- participation rates are at all time high
- how are we going to relieve this pressure?

Here are a few ideas that may be discussed in the:

- Taxation committee
- Business & Economic Development Committee
- Education Committee
- Appropriations

1. Focus on raising the education and skill level of our existing workforce,
  - post secondary education - critical link to innovation & high quality jobs.
2. Encourage capital investment in Maine
  - to anchor companies here and to "free up" labor for other jobs.
3. Attract military retirees to Maine who are:
  - technically trained
  - highly mobile
  - average retirement age of 45(Note: there are currently 2000 metalworking jobs unfilled)

4. Find ways to encourage retirees to work at least in some part time capacity.
  - i.e. math and science teacher shortage, Principal shortages

## II We are growing older.

-Aging of our population has implications for:

- Health and Human Services
- Education
- Transportation
- Banking

-And begs the question - are we ready for the aging of the baby boomers?

- Do we have a wide array of housing options available across the full continuum of care?
- Do we have the right type of skills in the medical community?
- Do we have the allied health professionals we need?
- Is our transportation system ready to handle older drivers? What about mobility when they must give up their licenses?
- How do we handle the projected decline in elementary, middle and high schools' enrollment? (which according to Deidre Mageean, is expected to decrease 9% by 2008.)
- How do we encourage all Maine citizens to plan for their golden years by investing in;
  - long term care insurance and
  - personal savings and investment for retirement

(So the Government will not be forced to take on full financial responsibility for Seniors)

## III. We are growing unevenly.

- How do we stabilize the population of Maine's central and Rim Counties and inject some life back into these areas?

## IV. We are growing even more rural.

- 50% of our elderly already live in rural Maine - how will we service them?
- More importantly - with our dependency ratio on the rise, how will we pay for government services.?

## **SLIDE 16     Births in 20th Century**

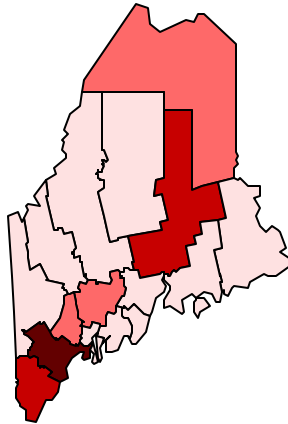
In summary, the aging of the baby boomers is like a tidal wave approaching the shores of retirement. If we prepare now we will survive and perhaps prosper through these major changes.

While the challenges are many - so too are the opportunities.

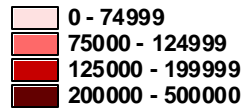
I hope this information will guide you as you set the policies that will carry Maine through the future.

SLIDE 2

# POPULATION 1998

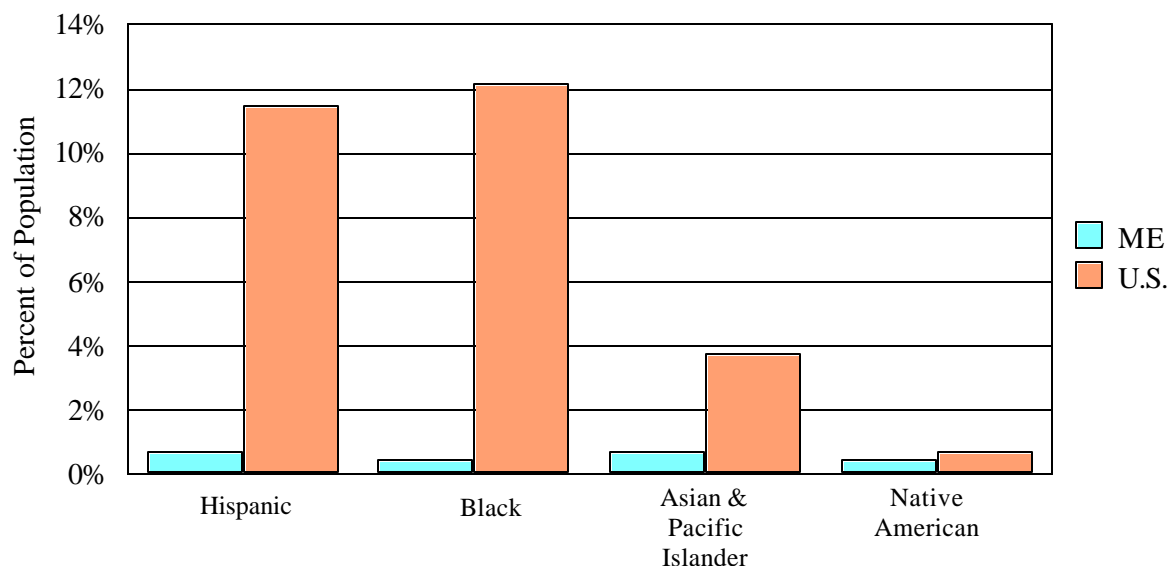


COUNTY POPULATION



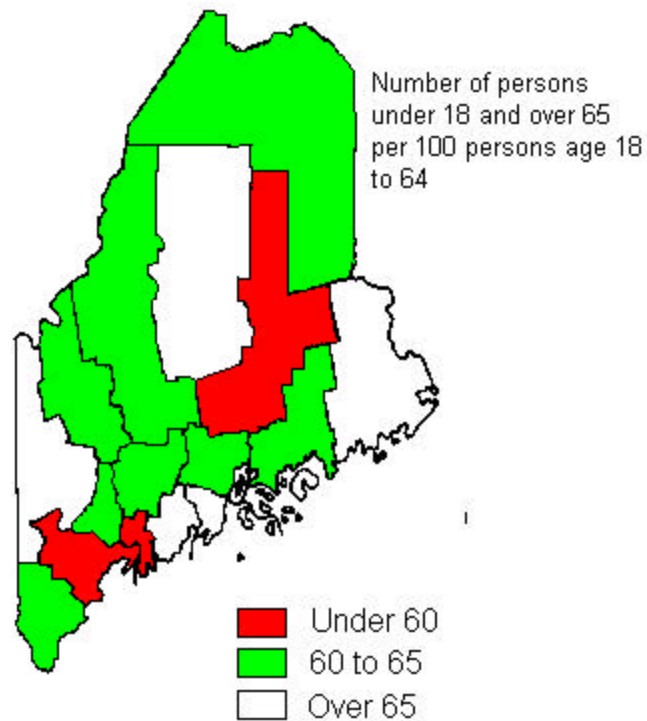
SLIDE 2

## Persons of Color U.S. & ME April 1, 1990



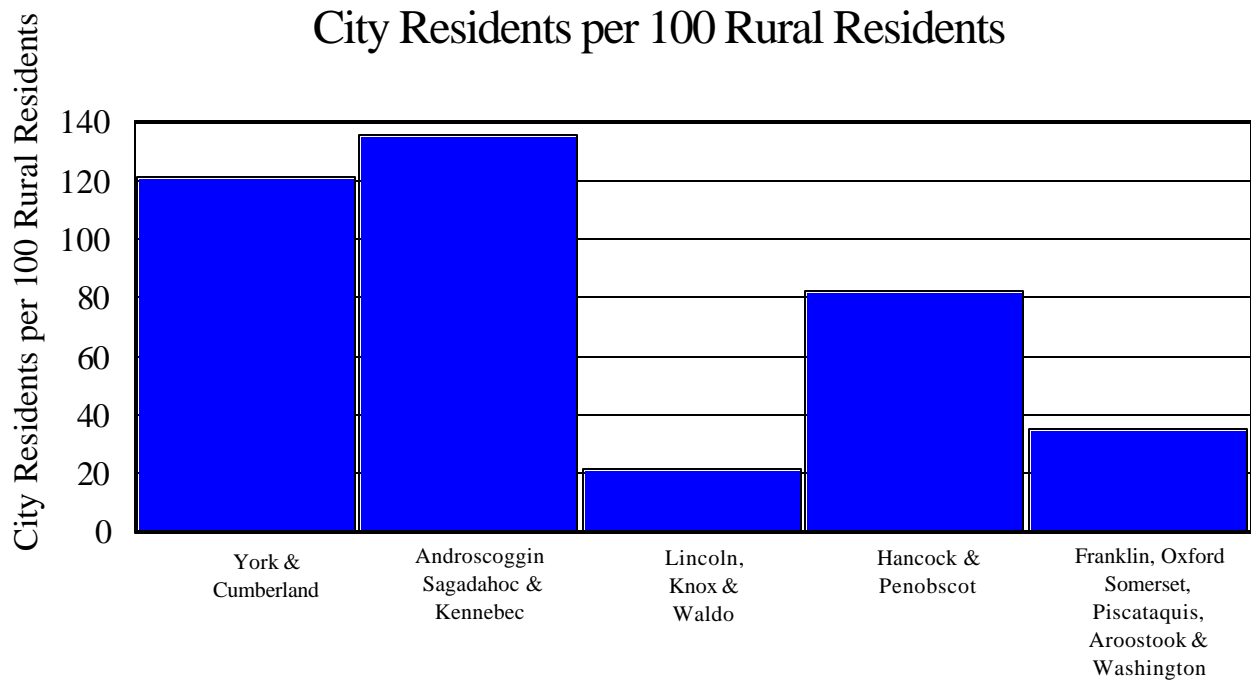
**SLIDE 3**

**Dependency Ratio, 1999**



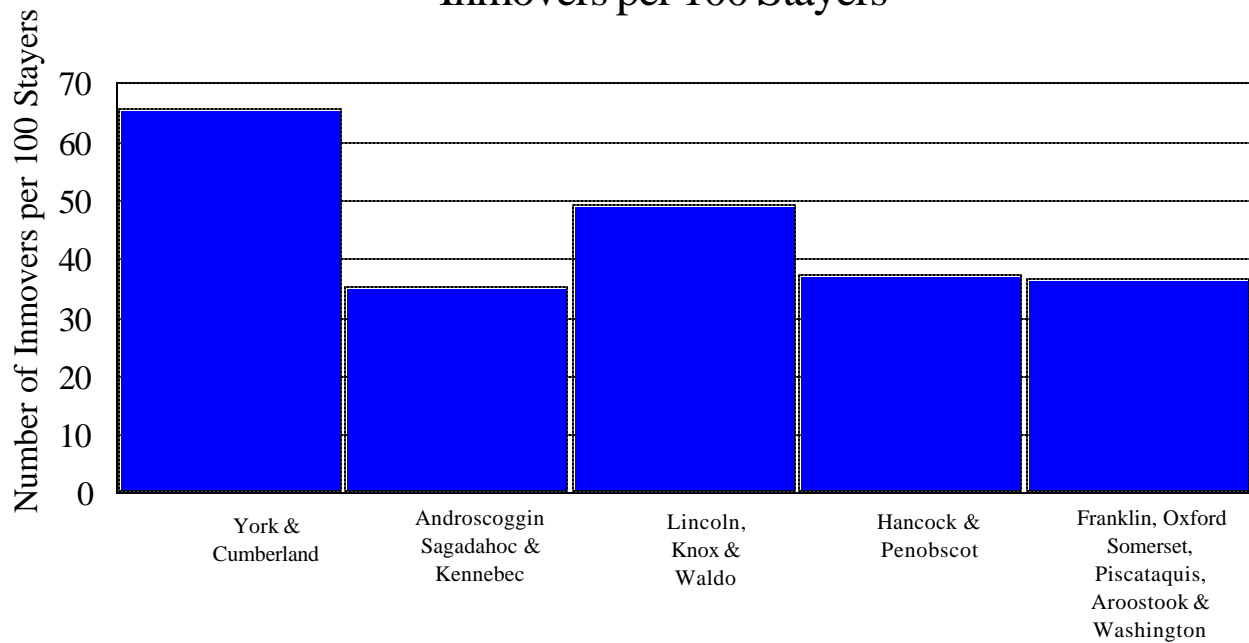
**SLIDE 4**

**Urban Population**  
**City Residents per 100 Rural Residents**



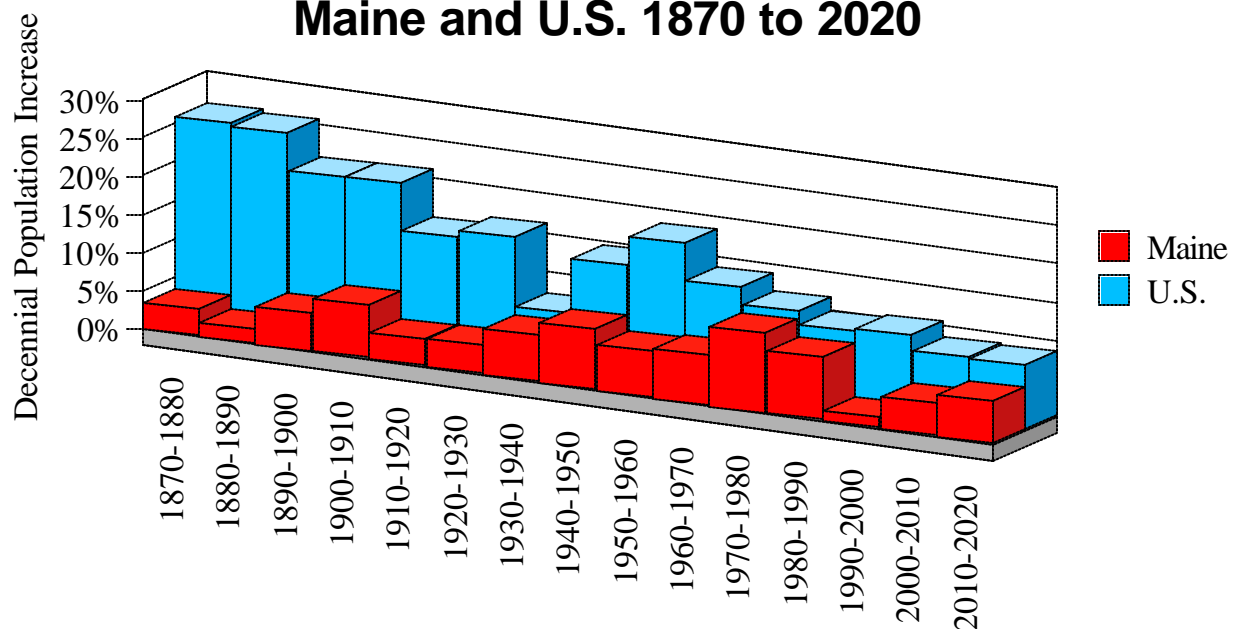
**SLIDE 5**

## Lifetime Migration to Maine Inmovers per 100 Stayers

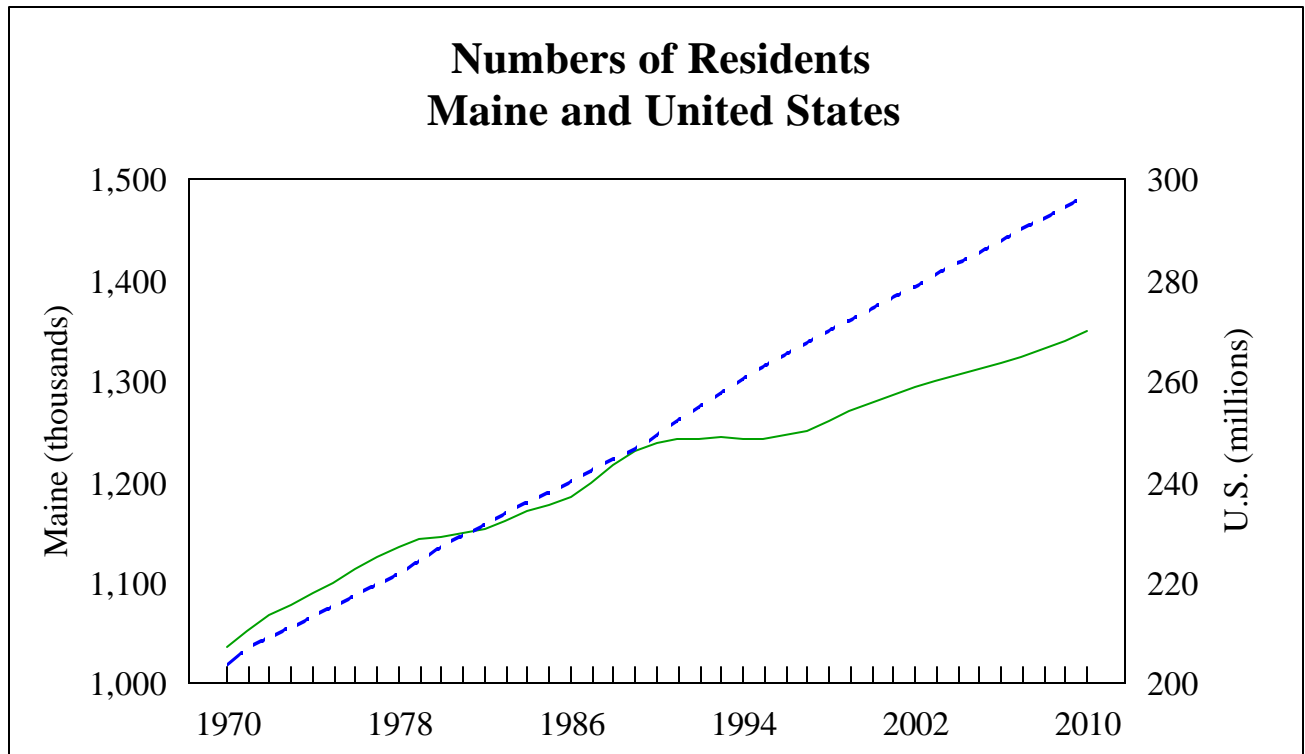


**SLIDE 6**

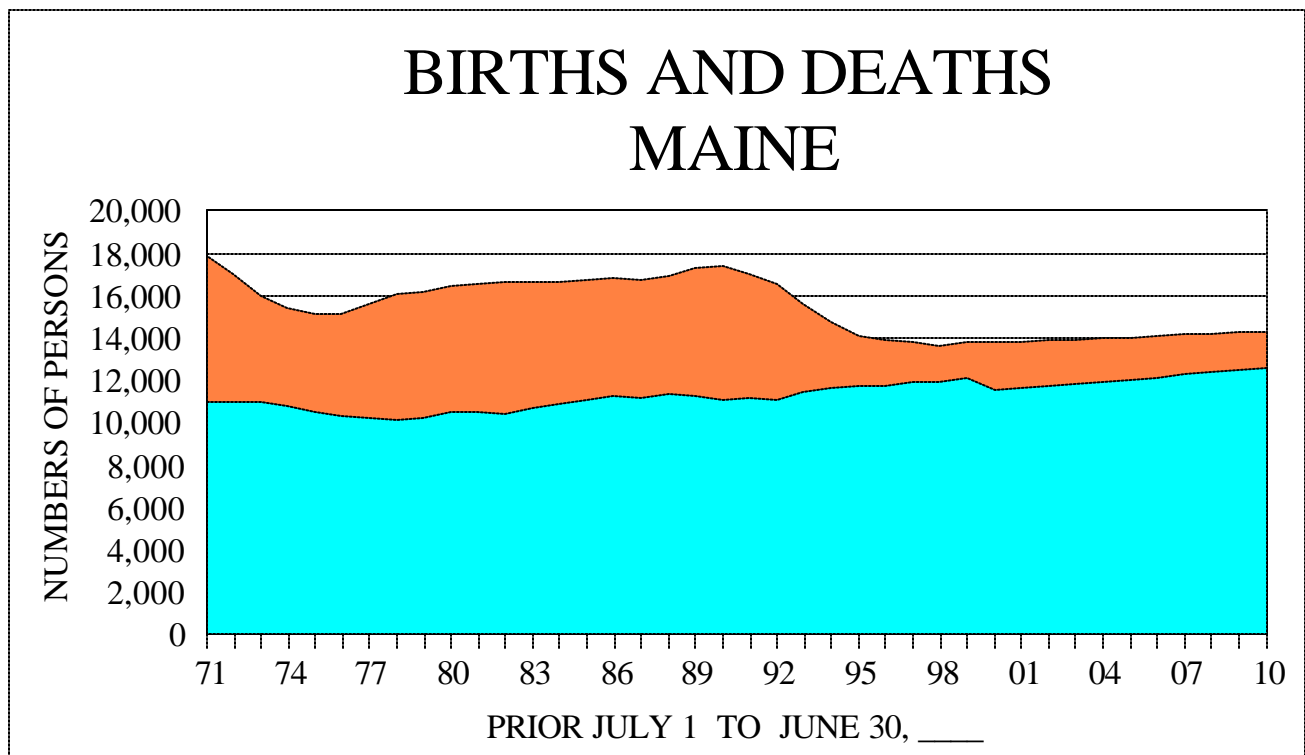
## Actual and Projected Decennial Population Increases Maine and U.S. 1870 to 2020



**SLIDE 7**

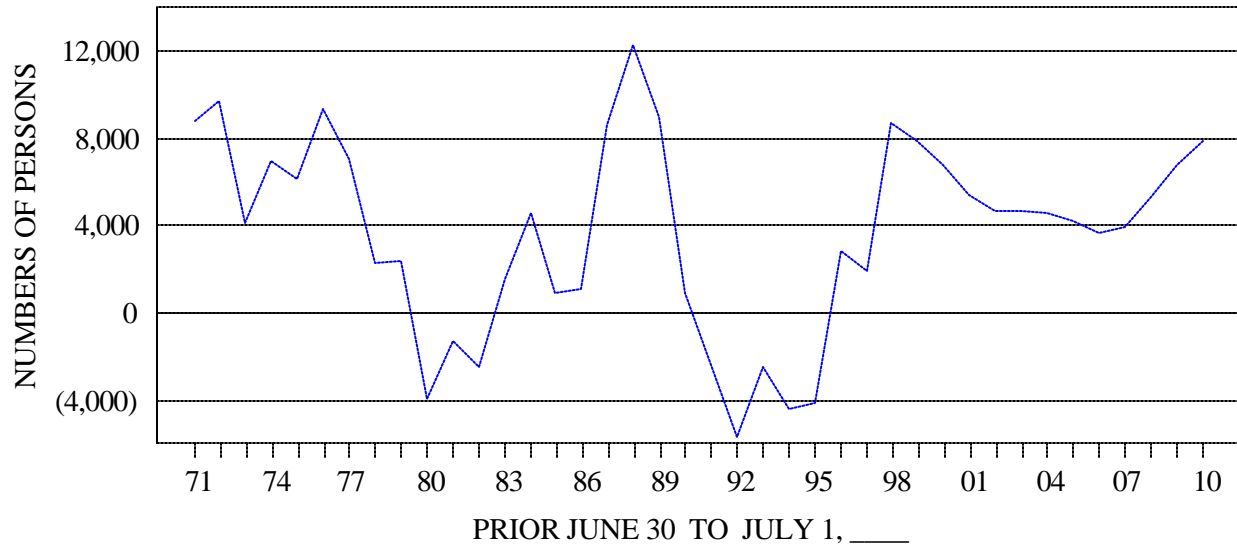


**SLIDE 8**



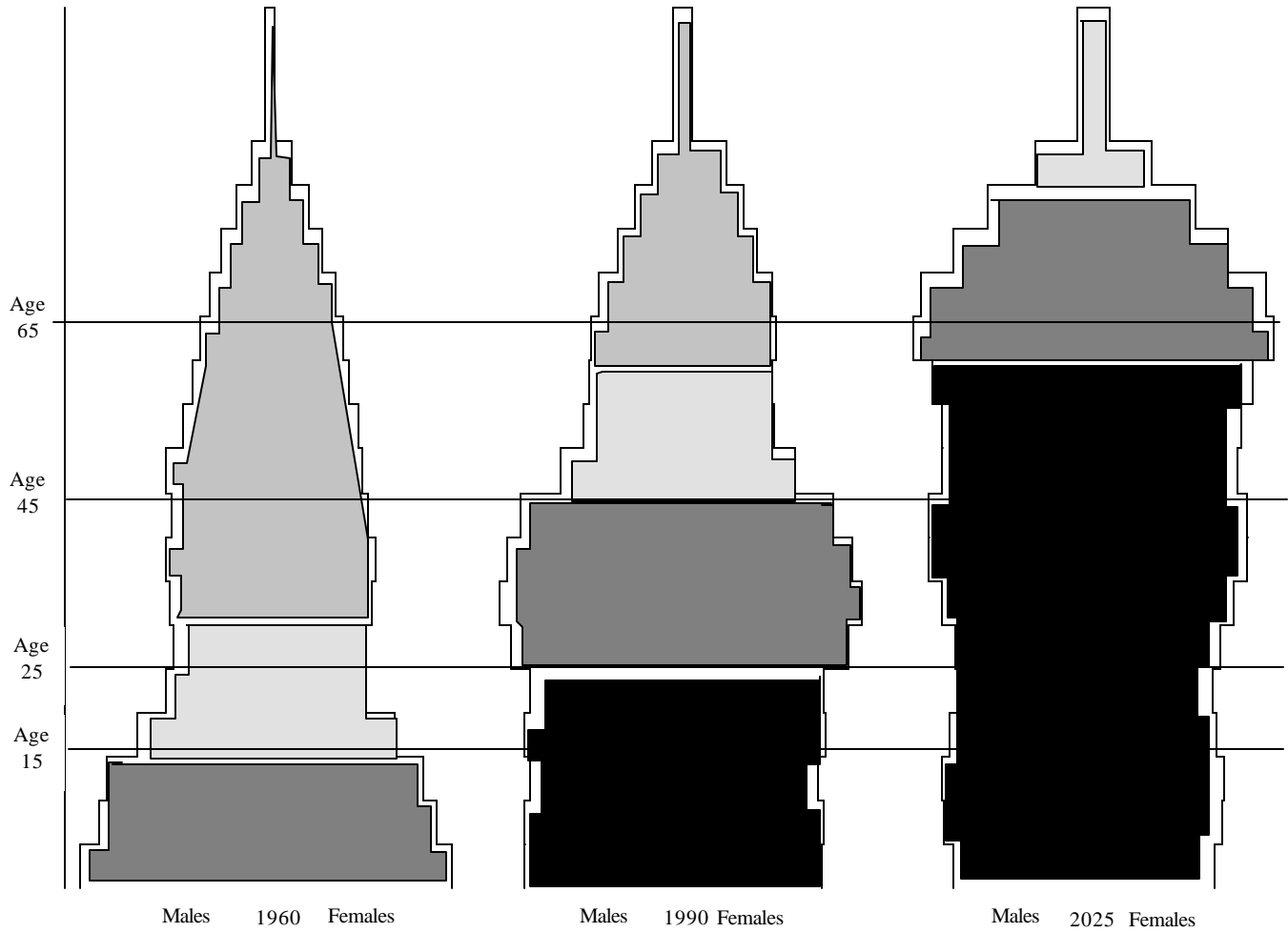
**SLIDE 9**

# NET MIGRATION MAINE



# SLIDE 10

## Age and Sex Composition of the Maine Population 1960, 1990 and 2025



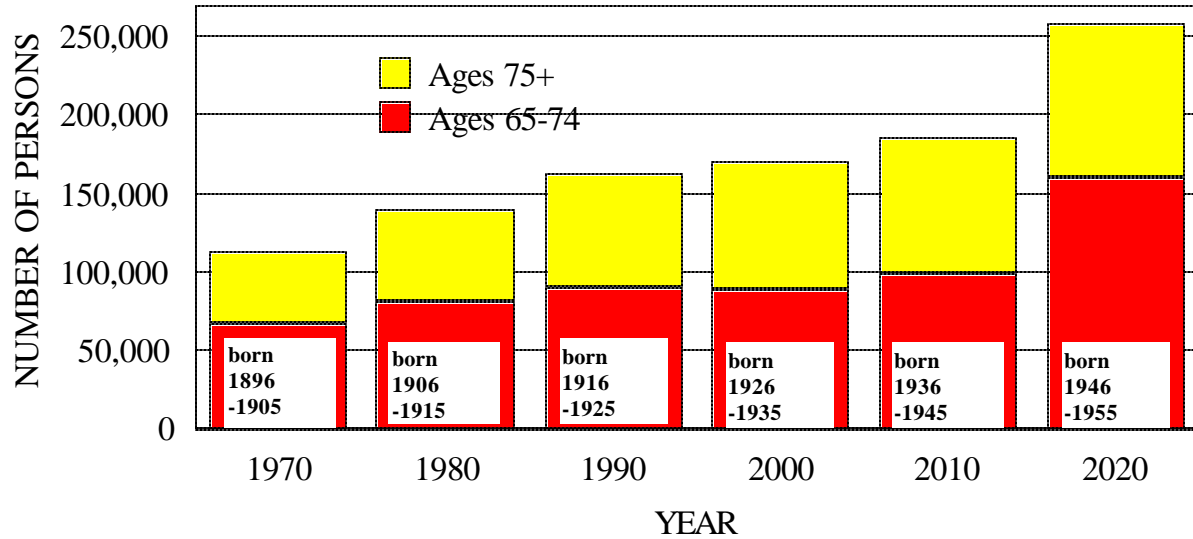
Data Source: U.S. Census Bureau, 1960 and 1990 Decennial Censuses and Projection Issued October 1996

Born before Great Depression
  Born during Great Depression & WWII
  Born during Post-WWII Baby Boom
  Born after Post-WWII Baby Boom



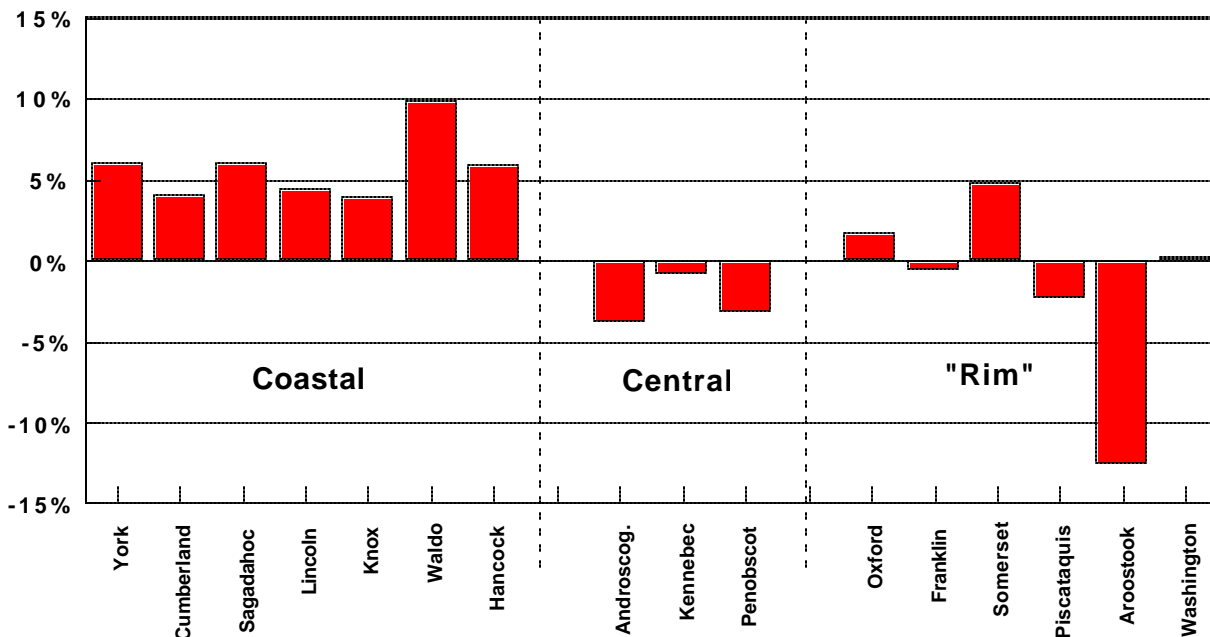
**SLIDE 11**

## COUNTS & PROJECTIONS OF PERSONS 65+ MAINE 1970 THROUGH 2010



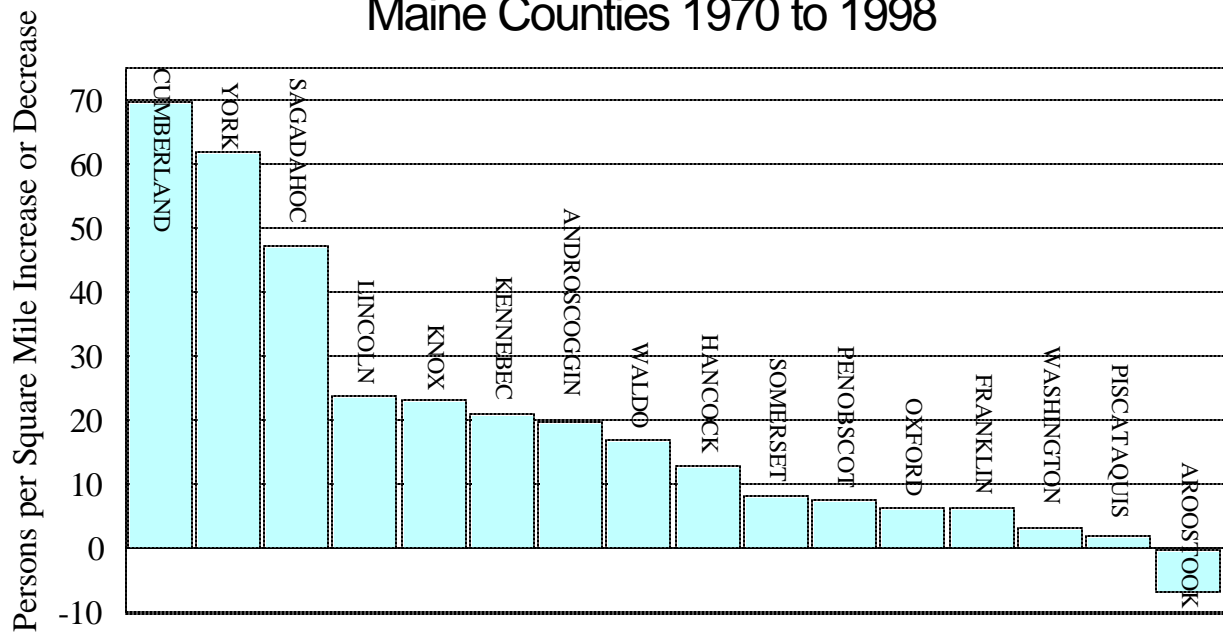
**SLIDE 12**

## Population Change 1990-98; Maine Counties



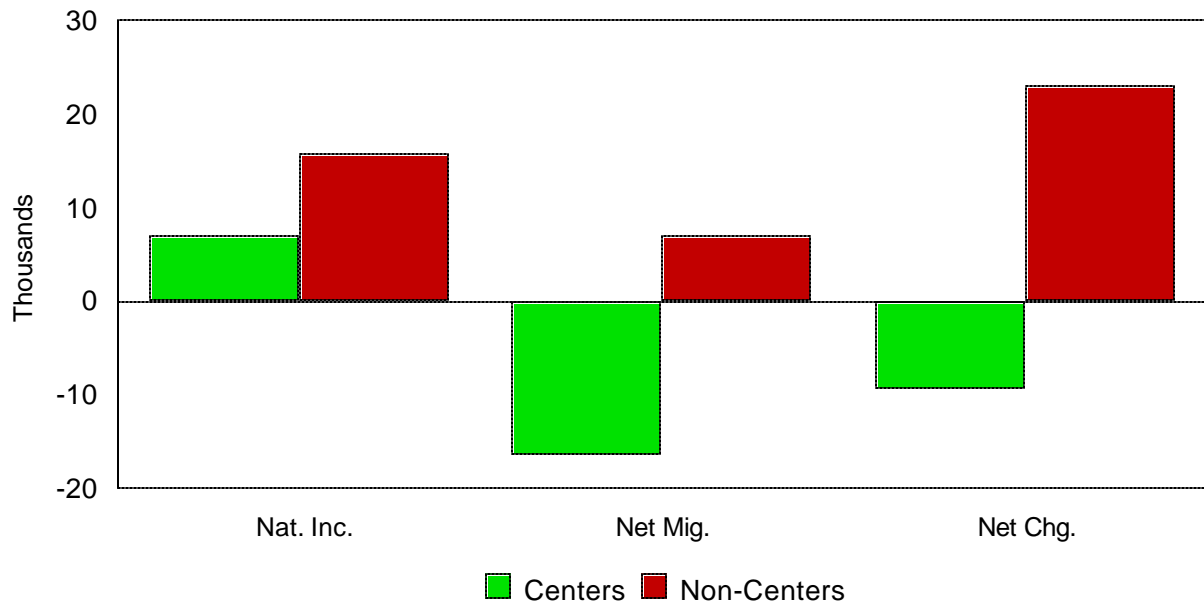
**SLIDE 13**

# Population Growth Rates Maine Counties 1970 to 1998

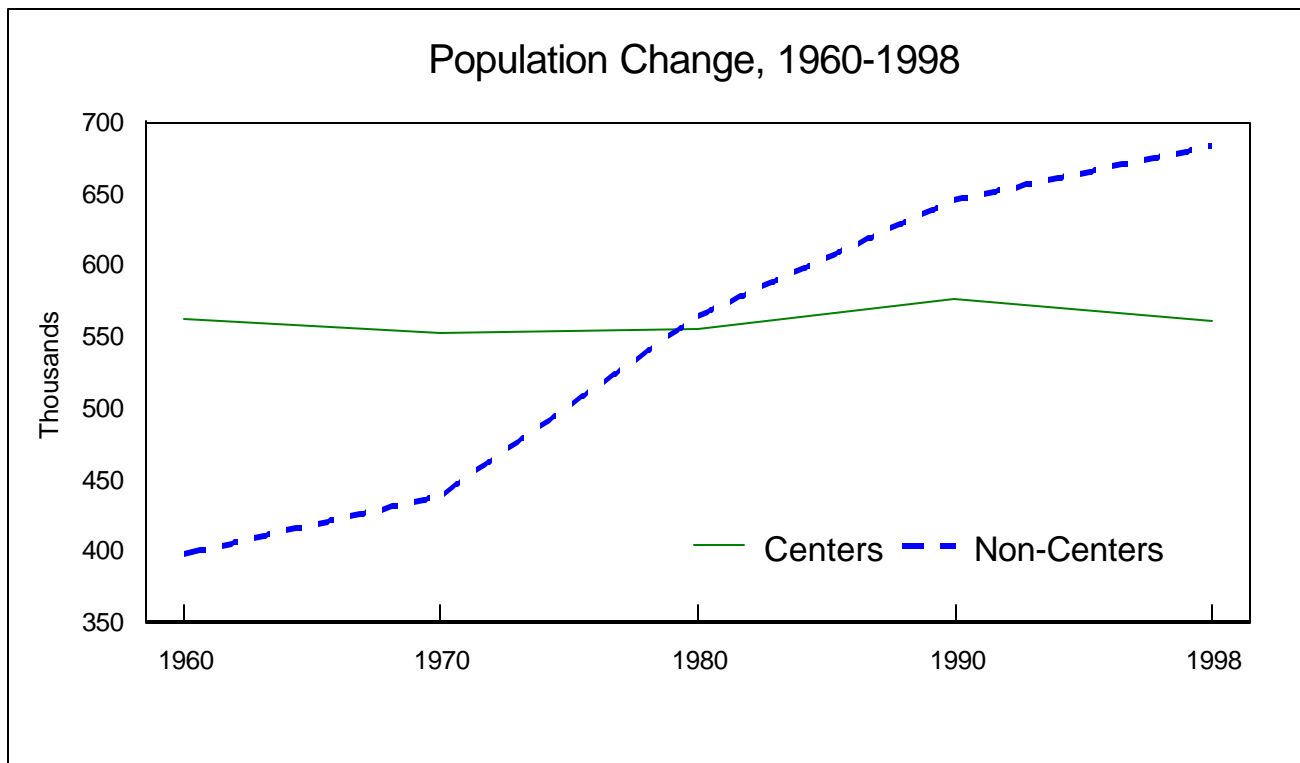


**SLIDE 14**

# Components of Population Change 1990-1995



**SLIDE 15**



**SLIDE 16**

